



## *The Telephone Company*

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Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

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|                                   |   |                      |
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| In the Matter of                  | ) |                      |
|                                   | ) |                      |
| Modernizing the E-Rate            | ) | WC Docket No. 13-184 |
|                                   | ) |                      |
| Program for Schools and Libraries | ) |                      |
|                                   | ) |                      |

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Additional Reply Comments Filed November 8, 2013

I am compelled to provide additional reply comments after reviewing all 1,275 comments posted under WC Docket No. 13-184 as of November 8, 2013. Nearly every comment made relates to LCP, whether specifying the need for strict LCP enforcement, affordable pricing or that the current funding levels are not keeping pace with demand. The public stands united in the need to fix the pricing problem that began on Day 1 of the E-Rate Program and has only spiraled out of control ever since and as it continues at alarming levels to this very day. E-Rate providers are keenly aware of the precise amount of their profits that result from their LCP violations alone.

AT&T is the largest E-Rate provider and although AT&T is clearly not the only E-Rate provider that wrongfully profits from LCP violations, it is important to mention the blatant refusal to comply with the LCP rule in an open FOIA request I have made to the FCC recently:

“AT&T Indiana’s Compliance Plan sunset on June 30, 2012. Therefore, any LCP violations, if any, would not be a violation of an expired Compliance Plan.”

The above statement illustrates complete disregard for the LCP rule and potentially any rule that governs E-Rate. This should raise serious concerns within the FCC and by all affected; from all that pay taxes, USF fees and the schools and libraries that pay applicable charges exceeding LCP. It is critical to hold all E-Rate providers to the same level of accountability that E-Rate participants have been held to all along.

In the comments posted today under WC Docket No. 13-184 by SmartEdgeNet:

“AT&T points to one such benefit – reduced prices – and states that “AT&T agrees that pricing for services can be more advantageous for schools and libraries when they purchase under consortia and/or state contracts. Thus, E-rate applicants should be encouraged to utilize these options when they are available.” CenturyLink adds that “[a]ggregating purchasing can indeed reduce prices, and service providers like CenturyLink welcome larger purchase commitments through consortia as a way to enlarge purchase commitments and thereby lower prices.”

The provider comments above illustrate that the failure to offer pricing under state contract or through consortia are blatant LCP violations as demonstrated on the USAC website:

“Lowest corresponding price (LCP) is defined as the lowest price that a service provider charges to nonresidential customers who are similarly situated to a particular E-rate applicant (school, library, or consortium) for similar services. See 47 CFR Section 54.500(f).”

AND

“A service provider – regardless of the size of the company or the category of service provided – must ensure that the LCP is provided to E-rate applicants. The applicant is not obligated to ask for it, but must receive it. See 12 FCC Rcd 87, 383, para. 540.”

These provider statements should sound the alarm to immediately implement a pilot program focused on LCP compliance, and for the FCC to immediately begin strict enforcement of LCP violations.

Respectfully Submitted by:

Todd Heath, President  
The Telephone Company